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ICE HQ FOR STRATEGIC INVESTIGATIONS  
STATE FOR EB/ESP

E.O. 12958: N/A

TAGS: BEXP ETRD ETTC IN

SUBJECT: EXTRANCHECK: POST-SHIPMENT VERIFICATION: ENVIRONMENTAL AND SPATIAL SOLUTIONS, HYDERABAD, INDIA

REF: USDOC 05149

¶1. Unauthorized disclosure of the information provided below is prohibited by Section 12(c) of the Export Administration Act.

¶2. On August 26, 2008, Export Control Officer (ECO) Paul Cushman and FSN Shailendra Srivastava conducted a Post-Shipment Verification (PSV) at Environmental and Spatial Solutions (ESS) in Hyderabad.

¶3. BIS requested a PSV at ESS, located at D-53, Madhura Nagar, Hyderabad. ESS was listed as the ultimate consignee for one brushless servomotor, one brushless servo drive, one cable set and EMF absorber software purchased from Enterysys Corporation (ENTERYSYS) of Milpitas, California. Export License: No License Required. ECCN: EAR99.

¶4. ECO and FSN Srivastava met with Mr. G. Ramakrishna, Proprietor, Mr. Ramachandra Rao, Director-Technical, and Mr. Ashwin Kumar Josyula, Manager-Sales. The meeting was held in the ESS workshop in Moula Ali Industrial Area, Hyderabad. The ESS representatives were not familiar with BIS regulations and this was the first visit by BIS officials to their facility. During the interview, they frequently hesitated before answering questions and their answers were often vague, requiring follow-up questions. Ramakrishna spoke very little during the meeting. When asked, he denied that GOI has any involvement in or control over his company. However, they have worked on projects for GOI agencies.

¶5. Josyula provided copies of the following documents relating to this transaction: ESS Purchase Order, ENTERYSYS Invoice, ENTERYSYS Packing List, Air Waybill and a receipt for duties paid to the Indian Customs Authority.

¶6. Rao stated that this technology would be used in chemical and pharmaceutical applications. The items will be attached to a drum used to mix solvents or chemical compounds at precise RPMs. The machine will be designed, built and tested at ESS. When perfected, the device will be transferred to their customer.

¶7. When the ECO inquired about the identity of their customer, ESS representatives exchanged glances and were silent for about 15 seconds. Then they conversed with each other in a language not understood by FSN Srivastava (probably Telugu) for about 90 seconds. When they switched back to English, Rao provided the name of their customer as Biological E. Limited (BE). BE is a private sector manufacturer of vaccines and pharmaceutical products based in Hyderabad ([www.biologicale.com](http://www.biologicale.com)). Rao explained that they were reluctant to give their customer's name because they do not have a firm contract with BE. They are developing the mixing device with the hope that BE and many other companies will purchase it.

¶8. After the meeting, Josyula presented the items for inspection.

The ECO physically verified each item and recorded the serial number of the KOLLMORGEN servomotor as Z08C-02494 (part number PRD-B040SAIB-63); servo drive as 08CD083M-932 (part number D083M-23-1320); cable set as CP-SS-A1HE-03 (part number C98249) and CF-SS-S3HAE-03 (part number C-98595); and EMF absorber software E227820. The items are stored in a locking cabinet within the workshop. After hours, a security guard is on duty at the facility.

¶9. Established in 2003, Environment and Spatial Solutions began as a project oriented company specializing in Geographic Information System (GIS), digital image processing, and web mapping. In 2005, ESS transitioned to industrial automation development, as well as equipment and system integration. ESS has twenty employees.

¶10. Recommendation: The controlled technology on check was physically verified. However, based upon the behavior of the corporate officers during the interview and their relationship with ENTERYSYS (subject of numerous unsatisfactory PSVs), ECO has concerns about the reliability of this end-user. Recommend additional PSVs be performed at this facility.

MULFORD